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EAST EUROPE BRANCH NOTES

Feb. 22, 1974
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CZECHOSLOVAKIA

Breakthrough in Claims Negotiations

At the February 20 session of the claims negotiations in Prague, the Czechoslovak delegation agreed to drop its insistence on a link between the return of MFN to Czechoslovakia and Prague's willingness to make lump-sum payments in compensation to US citizens for property nationalized in Czechoslovakia. The Czechoslovaks also agreed to make an initial payment of \$4 million upon receipt of the Nazi-looted gold held by the Tripartite Gold Commission. They proposed that the delegations begin drafting an agreement at the next session.

The Embassy in Prague comments that the Czechoslovak position significantly narrows the area of difference on a financial settlement and should make agreement possible essentially on US terms.

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HUNGARY

Foreign Ministerial Talks in Moscow

First Deputy Foreign Minister Jozef Marjai was in Moscow February 18-21 talking with various officials in the Soviet foreign ministry. He also called on Premier Kosygin and talked with Soviet party secretary Katushev, whose responsibilities focus on relations with ruling Communist parties.

Marjai was promoted to the number-two slot in the Hungarian foreign ministry last December, and this visit constitutes his required introductory calls. Before his promotion, Marjai supervised Hungarian relations with other Communist countries and had responsibility for the Hungarian ICCS team in Vietnam. In the latter capacity, he tried to visit South Vietnam last October, but was refused entry by the Saigon government.

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State Dept. review completed

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Libyan in Budapest

Libyan Premier Jallud ended a three-day visit to Hungary on February 21. Budapest, always eager to improve ties with an oil-rich Arab country, gave him a high-level reception. Kadar talked with Jallud on Thursday. The two sides signed a number of agreements, including a long-term trade accord, a scientific cooperation protocol, and a mutual aid agreement. No details of the agreements were released.

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ROMANIA

Relations with Oman

Bucharest's independent foreign policy and its assiduous cultivation of even the smallest of states have paid a dividend in the Middle East, where the Sultan of Oman has agreed in principle to enter into diplomatic relations. Sultan Qabus told the US Ambassador to Kuwait that he was looking for "a little color" for Oman's international stance, but ruled out other larger communist states for security reasons. He reportedly selected Romania for its "relative independence and unobtrusiveness." Asked about the Yugoslavs, Qabus stated he "did not really want to get involved with Tito."

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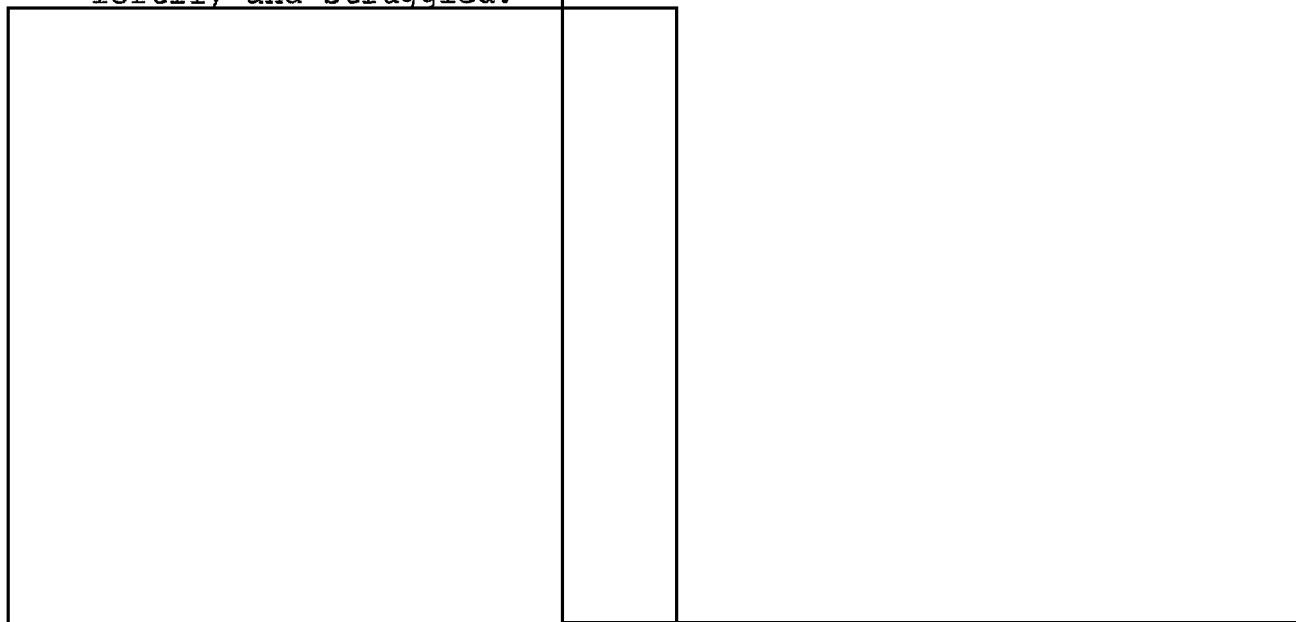
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EAST GERMANY

A Couple of Do-Gooders

The Cuban Government has bestowed its highest decoration, the Order of Jose Marti, on East German party chief Erich Honecker and GDR Premier Horst Sindermann. The ceremonies and reception at the Place of the Revolution in Havana were attended by the full retinue of Cuban leaders. President Dorticos saluted the East Germans by remarking: "As Marti said about Marx, you are imbued with the yearning to do good and you are of the mettle of men who were rebellious, walked loftily and struggled."

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